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FM AMEMBASSY SANTO DOMINGO
TO RUEHC/SECSTATE WASHDC PRIORITY 3843
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DEPT FOR OES/ENV FOR CAROLE JACKSON, OES/PCI FOR LARRY
SPERLING, USAID/LAC/RSD FOR JOHN GARRISON, WHA/EPSC FOR
FAITH CORNEILLE, DEPT PASS USTR FOR MBURR

E.O. 12958: N/A
TAGS: [EAID](#) [ETRD](#) [LAB](#) [SENV](#) [DR](#)
SUBJECT: DOMINICAN REPUBLIC: USAID DR-CAFTA ENVIRONMENT
PROGRAM PROJECTS

REF: SECSTATE 26123

11. Summary: This is the 2006 USAID/Dominican Republic
Environment Program Request which will support the
environmental obligations of the Free Trade Agreement between
the Dominican Republic, the Central American countries, and
the United States (DR-CAFTA) and the regional environmental
cooperative agreement. This program request builds on the
Embassy's highly successful environmental program. Without
funding of these proposed activities, the Embassy will not be
able to do them, putting in serious risk full compliance of
the Dominican government with the environmental provisions of
DR-CAFTA, other relevant MEAs, its National Environmental
Law. It would also require a revision of the economic
prosperity performance goal paper in Embassy Santo Domingo's
MPP. This cable is in response to reftel and is also being
sent via email.

(Begin Text)

1A. Characteristics of the Environmental and Natural Resource
Situation
Description and Justification for Proposed Activities

The protection of the environment and the natural resource
base is critical to the future growth and sustainable
development of the country. The natural resource base lies
at the core of the Dominican Republic's delicate biological
balance and provides the undergirding for the country's
economy. Tourism, which accounts for around 22 percent of
the Gross Domestic Product, is linked to a vibrant and
diverse environment and a network of unique national parks
and protected areas. Dominican agriculture and industry, as
well as human health, are highly dependent on clean water,
which is rapidly dwindling on this island. The sustainable
growth of these sectors in the country is important to the
sustainable growth of the Dominican economy.

The Embassy worked intensively in 2000 with the Dominican
government to formulate the progressive General Environmental
Law (Law 64-00), which marked the beginning of a broad-based
effort to deal with the threats to the country's natural
resource base. After the promulgation of this law, the
Embassy continued to provide technical assistance through
USAID's primary environment and natural resource contractor,
International Resources Group, Ltd. (IRG), to formulate the
necessary regulations and norms, as well as to strengthen the
public and private institutions, required to enforce this
law.

With the initiation of the Improved Policies for

Environmental Protection (IPEP) Program in 2003, USAID made a four-year financial commitment to the government to provide assistance to the Secretariat of the Environment and Natural Resources (SEMARENA) to develop and implement an Environmental Policy Framework and to increase civil society participation in policy formulation and enforcement. Over the past two years, the IPEP program has helped to formulate laws for Bio-diversity and Coastal-Marine Resource Use, as well as norms for the rational use of ground water, forestry resources, marina operations, surface water management, and toxic waste treatment. IPEP has also developed a draft regulation for Environmental Enforcement and, while working at the municipal level, has strengthened fourteen Municipal Environmental Units (UGAMs) by helping them to develop and implement local environmental ordinances to complement the national norms. IPEP has worked with grass-roots NGOs, private enterprise, and community based organizations to promote economically viable, environmentally-friendly investments. IPEP's Environmental Protection Investment Fund (FIPA) has co-financed 26 successful 1:1 (at least) matching grants with grass-roots NGOs and private enterprises and leveraged around USD600,000 in private resources to develop and implement clean and environmentally sustainable production technologies. These investments, focused in areas such as eco-tourism, organic agriculture, clean energy uses, and watershed protection, are showing small firms how to make a profit while protecting the environment at the same time. A good example of this work is IPEP's assistance given to a local group of swine producers who invested in an efficient bio-digester to convert the swine excrement into usable methane gas.

IPEP has also developed a number of analytical instruments to facilitate the government's policy making and enforcement

(e.g., a ground water data base, an analysis of the impact of free trade on the environment, a strategic plan for the Dominican Biosphere Reserve, a market-demand study for a clean production center, an analysis of economic instruments to promote clean technology, a strategy for the Dominican national park system's financial sustainability). Also, IPEP has provided training on a wide range of topics to enhance Dominican institutional capability to design and implement sustainable natural resource use policy and programs. This training has included public sector management skills, economic valuation of environmental goods and services, national park management, forest ranger and park ranger skills, clean production services, and strategic planning to protect the environment and natural resource base.

With the ratification of DR-CAFTA in 2005, the Dominican Republic faces new challenges in implementing the environmental provisions of this treaty. In addition, while much work has been done to develop an effective public and private system to protect the Dominican environment and natural resource base, there is still much work to be done as delineated in the following "expected results and activities" proposed by the government under the DR-CAFTA Environmental Project.

B. Results and Activities Expected under the DR-CAFTA Environmental Project

1. Strengthened Environmental and Natural Resource Law Compliance and Enforcement Systems operating in the Dominican Republic (USD600,000).

Develop training materials to work with the public and private sectors to encourage compliance with and enforce environmental regulations and norms, which will include modules on key DR-CAFTA regulations, distinction between environmental crimes and administration infractions, inspections, management of evidence, and compliance (USD50,000).

Facilitate five workshops to coordinate interministerial and

private sector coordination to promote compliance with and enforcement of environmental regulations and norms (USD50,000).

Organize four workshops and four participant observation visits to public sector organization representatives to train personnel in SEMARENA, Secretariat of Industry and Commerce, Secretariat of Agriculture, Tourism, Foreign Affairs, the

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Congress, the Environmental Attorney General's Office, and environmental police on measures needed to implement environmental enforcement procedures (USD100,000).

Complete the Regulation on Environmental Enforcement (USD50,000).

Draft a revised Forestry Law and a Law for the National Protected Areas System (USD75,000).

Develop improved norms and regulations for Coastal/Marine resource use, Bio-diversity, and organic agricultural production (USD75,000).

Work with 14 municipalities to assist them with the implementation of local ordinances (USD100,000).

Develop 10 new Municipal Environmental Units (UGAMs) and bring them into the national network to enforce environmental standards (USD100,000).

12. Successful operation of the Dominican National Environmental Council, which includes Opportunities for Public Participation (USD500,000).

Strengthen the National Environmental Council (NEC), as stated in the National Environmental Law, comprised of cabinet-level representatives, members of Congress, and representatives of the judicial system, to develop an appropriate plan of work to enforce environmental regulations (USD150,000).

Establish a system within SEMARENA to receive and publicly communicate all matters related to Chapter 17 of the CAFTA-DR and the Economic Cooperation Agreement (USD150,000).

Establish and put into operation the National Environmental Information Network, which will serve to monitor the CAFTA-DR environmental compliance (USD200,000).

13. Implementation and improved compliance with the other Multilateral Environmental Agreements (MEAs), such as CITES, RAMSAR, the Montreal Protocol, and other relevant MEAs (USD200,000).

Design and develop informational materials to support SEMARENA's public awareness, environmental enforcement campaign of relevant MEAs (USD100,000).

Organize four workshops with public and private sector representatives to develop programs to enforce compliance with other MEAs (USD100,000).

14. Promotion of the use of environmental tools and self regulation techniques through dissemination and exchange, with the purpose of improving environmental exchange (USD500,000).

Organize and give four workshops among civil society organizations, and provide participant training observation to 4 civil society representatives to disseminate information on environmental management programs and self regulation techniques (USD150,000).

Update the existing ground water data base, giving particular attention to the tourism growth centers of Bayahibe and Bavaro (USD50,000).

Develop a strategy for micro-watershed protection (USD150,000).

Develop a Mass Media Campaign promoting the environmental and economic provisions and dimensions of DR-CAFTA (USD150,000).

¶5. Promotion of private market initiatives and information exchange with the purpose of improving environmental performance (USD300,000).

Strengthen the Environmental Protection Investment Fund projects (FIPAs), especially those that are located in transition zones in the vicinity of national parks, by developing three new FIPA public-private partnership projects (USD300,000).

¶6. Development of effective private market environmental management mechanisms (USD300,000).

Develop strategies for the creation and use of financial, fiscal, and market incentives to enforce environmental regulations and norms (USD100,000).

Promote and implement market schemes for environmental services (USD50,000).

Identify specific market opportunities for certified agricultural and wood products (USD50,000).

Organize and give three workshops to provide training in financially sustainable forestry and watershed management (USD100,000).

¶7. Development and implementation of cleaner production methodologies and technologies (USD400,000).

Design and promote cleaner production schemes in productive processes, applying best practices to improve efficiency in the use of resource materials and inputs (USD50,000).

Design and implement a Development Credit Authority (DCA) loan guarantee program with at least one local financial institution to support commercial lending to clean production investments (USD100,000).

Develop four new FIPA public-private partnership "Green Investment" programs, which will promote organic coffee, cacao, and banana production, as well as alternative renewable energy systems (e.g. wind, bio-diesel, hydro) (USD200,000).

Organize and give two workshops to provide training in certification of organic production and the use of cleaner production techniques and technologies (USD50,000).

¶C. Link with U.S. Policy Objectives and Current Development Assistance Program

¶1. The U.S. Government, with the signing of the USAID/DR-IPEP program in 2003, made a contractual commitment to the government to provide assistance to implement effectively the Dominican National Environment Law. With the ratification of DR-CAFTA in 2005, particularly with respect to its environmental requirements on enforcement (Chapter 17), Sanitary and Phytosanitary Measures (Chapter 6), Technical Barriers to Trade (Chapter 7), and Market Access (Chapter 3), the U.S. Government expects trade to be increased among the parties without causing any damage to the environment in the respective countries. The enforcement and implementation of the environmental provisions in DR-CAFTA (including the Environmental Cooperation Agreement) and other relevant Multilateral Environmental Agreements are priority U.S. policy objectives.

¶2. This project proposal builds on the highly successful Embassy Santo Domingo IPEP program, which suffered a 30

percent cut in FY 2006. With the current level of funding, Embassy Santo Domingo will not be able to undertake the activities and achieve the results proposed above, putting in serious risk full compliance of the Dominican government with the environmental provisions of DR-CAFTA, other relevant MEAs, and its National Environmental Law. It would also require a revision of the economic prosperity performance goal paper in Embassy Santo Domingo's MPP.

1D. Estimated Cost to achieve results in (B) above is USD2.5 million per year:

If granted these funds, USAID-DR will provide assistance to the key Dominican public sector institutions (primarily SEMARENA, the Environmental Attorney General's Office, and the municipal environmental units), small businesses, and grass-roots civil society groups, primarily through its existing contract with IRG. These institutions are already in the field and are ideally positioned to start the proposed activities immediately. Consequently, they can be expected to achieve the expected results well within a two year period.

1E. Degree of Local Buy-In: This proposal has been developed in conjunction with representatives from SEMARENA, which considers the specified results and activities to be among their highest priorities to comply with the environmental provisions in DR-CAFTA, other MEAs, and their National Environmental Law. In addition, this proposal has been vetted with the private sector and the NGOs that are expected to play a key role in the implementation of this project. These funds are expected, as in the past, to leverage at least a one to one match from the private organizations and other international donors participating in this project.

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